



# Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair  
1<sup>st</sup> District  
Lori Glasgow, Vice-Chair  
5<sup>th</sup> District  
Gerardo Pinedo  
2<sup>nd</sup> District  
Genie Chough  
3<sup>rd</sup> District  
Carl Gallucci  
4<sup>th</sup> District

## MEETING MINUTES August 16, 2007

Chair Genie Chough called the meeting to order at 1:37 p.m. in Conference Room 525 at the Kenneth Hahn Hall of Administration.

### Committee Members Present

Gerardo Pinedo, Second District  
Genie Chough, Third District  
Carl Gallucci, Fourth District  
Lori Glasgow, Fifth District

### Committee Members Absent

Martha Molina-Aviles, First District

### Others in Attendance

Maria Oms, Auditor Controller  
Jim Schneiderman, Auditor Controller  
Sheila Shima, Chief Executive Office (CEO)  
Sid Kikkawa, Chief Executive Office (CEO)  
Chun Liu, Chief Executive Office (CEO)  
Vincent Amerson, Chief Executive Office (CEO)  
Greg Polk, Chief Executive Office (CEO)  
Jon Fullinwider, Chief Information Officer (CIO)  
Al Brusewitz, Chief Information Office (CIO)  
Helen Berberian, Board of Supervisors  
Peter Papadakis, Board of Supervisors  
Mireya Rivera, Board of Supervisors

### Approval of Minutes

**On motion of Lori Glasgow, seconded by Gerardo Pinedo, the Committee unanimously approved the July 19, 2007 minutes.**

### Old Business

Sunset Review of Board Policy 3.095 – City Annexations and Spheres of Influence (5/10/07):  
**The Committee unanimously approved continuing this item to its September 20, 2007 meeting.**

Sunset Review of the Los Angeles County Consumer Affairs Commission (5/30/07): Sheila Shima, CEO, reported that it is recommended that the E&E Commission, Quality Productivity Commission (QPC), Auditor Controller, or an outside consultant review all of the County Commissions. Genie Chough stated there may be a perceived conflict of interest for a Commission to review another Commission. Ms. Shima reported the CEO is looking into potential questions that may arise. **On motion of Lori Glasgow, seconded by Gerardo Pinedo, the Committee unanimously approved extending the sunset review date through July 31, 2008.**

Sunset Review of the Los Angeles County Parks and Recreation Commission (5/30/07): **On motion of Lori Glasgow, seconded by Gerardo Pinedo, the Committee unanimously approved extending the sunset review date through July 1, 2008.**

Sunset Review of the Los Angeles County Hospitals and Health Care Delivery Commission (6/29/07): **On motion of Lori Glasgow, seconded by Gerardo Pinedo, the Committee unanimously approved extending the sunset review date through October 1, 2008.**

**Reports to be Received and Filed**

Audit of The Los Angeles County Treasury and Review of The Treasury Oversight Committee's Compliance with Government Code Requirements for the Year Ended June 30, 2004 (6/27/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Fiscal Monitoring of Department of Community and Senior Services Fiscal Year 2005-2006 Workforce Development Program Services (7/16/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Proposition A Contract – Office of Public Safety Health Services Bureau Armed and Unarmed Security Guard Services Contract (Board Agenda 7/24/07 Items 26 through 33) (7/19/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Fire Department – Controls Over County Credit Cards (7/20/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Status Report – Review of County Counsel Litigation Cost Management (Board Agenda Item 18, March 27, 2007) (7/25/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Dangerfield Foster Family Agency Contract Review (7/26/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Lifecircle Unlimited, Incorporated – Lifecircle Unlimited Group Home (7/27/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Jean Lores Group Home, Incorporated – Vernon Avenue Group Home (7/27/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Garces Residential, Incorporated – Bright Horizons Group Home (7/27/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Positive Path Yough Development Center, Incorporated – Positive Path Group Home (7/27/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Heritage Group Homes, Incorporated – LA Verne, Phillips Ranch, Valinda, West Covina and Whittier Group Homes (7/30/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Department of Justice Settlement Agreement – June 2007 Monitoring Results (8/1/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

#### **Reports to be Received**

Sunset Review of Board Policy 3.010 – Update of Workplace Giving Policy and Standards (1/19/07): **On motion of Gerardo Pinedo, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy 5.110 – Contract Language to Assist in Placement Activities (2/22/07): **The Committee unanimously approved continuing this item to its September 20, 2007 meeting.**

Sunset Review of Board Policy 9.140 – Hard Hiring Freeze (7/13/07): Mr. Chun Liu, Chief Executive Office (CEO), reported that the Hard Hiring Freeze Policy exempts County Departments from obtaining CEO hiring approval. Mr. Sid Kikkawa, CEO, reiterated that County Departments were directed to achieve Hard Hiring Freeze savings as allocated by the Chief Administrative Officer's recommendations. Further, County Departments were to report their savings to the Board of Supervisors. If allocated savings had not been achieved, a plan to achieve the goal must be included with the report. County Departments must obtain hiring authorization or exemptions from the CEO prior to filing vacant positions and should fully explain and justify their requests. In response to Lori Glasgow, Mr. Kikkawa reported that the CEO would have to reinstitute the Hard Hiring Freeze Policy again and some County Departments have not met their budget. Sheila Shima, CEO, reported "Hard Hiring Freeze" was placed by the Board of Supervisors and modification of the policy was approved for the CEO by the Board of Supervisors, and some County Departments are on a Hard Hiring Freeze. Additionally, it is helpful from a budget perspective to work with County Departments and remind them that this policy is in place, but it is difficult when County Departments have budgeted items that they cannot fill. This policy ensures Departments stay within their budgets. **On motion of Carl Gallucci, seconded by Gerardo Pinedo, the Committee unanimously (approved keeping the policy as is) receiving and filing this item.**

Sunset Review of Board Policy 5.045 – Sheriff's Department Law Enforcement Services Contracts Review Policy (7/17/07): **The Committee unanimously approved continuing this item to its September 20, 2007 meeting.**

Review of New Board Policy 6.112 – Secure Disposition of Computing Devices (7/19/07): Al Brusewitz, Chief Information Office (CIO), provided a brief overview of the Board policy regarding the Secure Disposition of Computing Devices. The policy ensures that all information and software on County owned or leased computing devices are rendered unreadable and unrecoverable prior to disposition of such computing devices out of County inventory. Further, all personal and confidential information on County owned or leased devices must also be rendered unreadable when they are sent out for vendor maintenance or are transferred to another user who is not authorized to access the personal and confidential information. The Board policy is being reviewed by the CIO and Departments Heads, and will be submitted to the Board of Supervisors for adoption. **On motion of Lori Glasgow, seconded by Gerardo Pinedo, the Committee unanimously approved the policy and recommend it to the Board of Supervisors for approval.**

Sunset Review of Board Policy 3.030 – Inclusion of Translation Service Telephone Numbers in all Public Notices (7/20/07): **On motion of Gerardo Pinedo, seconded by Lori Glasgow, the Committee unanimously approved extending the sunset review date through August 7, 2011.**

Sunset Review of Board Policy 9.150 – Hiring Retired County Employees to Permanent Positions (7/23/07): **On motion of Gerardo Pinedo, seconded by Gerardo Pinedo, the Committee unanimously approved extending the sunset review date through August 25, 2011.**

Fiscal Monitoring of Department of Community and Senior Services' Fiscal Year 2005-06 Domestic Violence Program Service Providers (7/23/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy 5.020 – Reporting Requirement for Bids/Contracts over \$10,000 (7/25/07): Vincent Amerson, CEO, recommended no revisions to the Reporting Requirement for Bids/Contracts over \$10,000 Policy. The Policy ensures that all Board letters proposing a contract award over \$10,000 incorporate language indicating that the bid/contract opportunity are listed on the County's Web Site as part of the procurement process. **On motion of Carl Gallucci, seconded by Gerardo Pinedo, the Committee unanimously approved extending the sunset review date through July 18, 2011.**

Fiscal Review of Arrowhead Emancipation Program – A Group Home Foster Care Contractor (7/25/07): Genie Chough asked if the Federal Government was going after the Arrowhead Emancipation Program (AEP) for the unallowable costs. Maria Oms, Auditor Controller, reported that money has not been collected and have instructed County Counsel and the Legislative Group to investigate this matter. Ms. Shima reported that the CEO checked with the Department of Public Social Services (DPSS) and has not received any clarification regarding this issue. Ms. Oms stated that this is a broader issue, not just a group home or FFA issue that can impact the audits. **The Committee unanimously approved continuing this item to the September 20, 2007 meeting and requested Andy Owen and Lauren Black from County Counsel to attend and discuss this matter in closed session.**

Board Policy #9.170 – Sunset Review Date (Two-Week Notice for Layoff or Reduction) (7/27/07): **On motion of Gerardo Pinedo, seconded by Lori Glasgow, the Committee unanimously approved extending the sunset review date through September 18, 2011.**

Fiscal Review of Tana Group Home – A Group Home Foster Care Contractor (7/30/07): **On motion of Gerardo Pinedo, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Fiscal Review of United Care Inc. – Foster Family Agency and Group Home Foster Care Contractor (8/1/07): Genie Chough asked for clarification on the incorporation of the Department of Children and Family Services (DCFS) agency's response into a Fiscal Corrective Action Plan that will be submitted directly to the Board of Supervisors. Jim Schneiderman, Auditor Controller, reported that the agency will provide their response to the report directly to DCFS. **On motion of Gerardo Pinedo, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Department of Children and Family Services – Procurement Review (Phase I) (8/3/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy 5.030 – Low-Cost Labor Resource Program (8/8/07): **On motion of Gerardo Pinedo, seconded by Lori Glasgow, the Committee unanimously approved extending the sunset review date through October 3, 2011.**

Sheriff's Department Special Enforcement Bureau Facilities Replacement Project Review (8/10/07): **On motion of Lori Glasgow, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

#### **Public Comments**

**There were none.**

#### **Other Business**

New Children's Services Ombudsman – 6/18/2007 Supervisor Antonovich's Motion: Ms. Oms reported on the feasibility of establishing a Children's Services Ombudsman (CSO) office with a chain of command utilizing existing staff within the Department of Children and Family Services and Auditor-Controller. The Auditor Controller has responsibility for the Children's Group Home Ombudsman office which was created in 1998, and reports quarterly to the Board of Supervisors. Additionally, six employees are employed by the Department of Children and Family Services (DCFS) along with four Auditor Controller employees, which are paid by the Department of Children and Family Services. Mr. Schneiderman reported that the Auditor Controller evaluated the possibility of establishing an independent Office of the Children's Services Ombudsman (CSO) under the Auditor, as well as under the Department of Children and Family Services (DCFS), and concluded that the main mission of the Auditor Controller does not, and should not, involve resolving children's issues on a day-to-day basis. Furthermore, the Auditor Controller considers moving the CSO function to DCFS would be a more independent structure that would improve the process.

Therefore, the CSO would be assigned to the Children's and Families' Well-Being Cluster and report directly to the Deputy CEO to avoid a "conflict of interest." Gerardo Pinedo asked if this has been presented to the Children's Deputies and what was their response. Mr. Schneiderman reported that the motions have yet to be presented to them. Helen Berberian, Board of Supervisors, reported that each case requires its own Court order and a blanket order would move things around a lot faster, since waivers are time consuming. **The Committee unanimously approved continuing this item to its September 20, 2007 meeting and requested the Children's Deputies to attend and discuss this matter.**

Audit Committee Notification/Audit Report Protocols: Ms. Oms reported that the Auditor Controller can notify the Audit Committee of substantial issues; however, there is a need to be careful with respect to sensitive areas such as OCI.

Audit Plan for Fiscal Year 2007-2008: **The Committee unanimously approved continuing this item to its September 20, 2007 meeting.**

Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting):  
**There were none.**

**Adjournment**

**There being no further business to conduct, the meeting was adjourned at 2:31 p.m.**